An act to amend Sections 1012.2, 1023, and 1034 of, and to repeal Section 1031 of, the Military and Veterans Code, relating to veterans' homes.



## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

- SECTION 1. The Legislature finds and declares all of the following:
- (a) Prior to the 2008–09 fiscal year, the veterans' homes budget included General Fund, reimbursements, and federal trust fund authority.
- (b) The reimbursements included member fees paid by residents of the veterans' homes, Medicare, and Medi-Cal, among other sources.
- (c) The federal trust fund included per diem payments from the United States Department of Veterans Affairs.
- (d) Because the reimbursements and federal fund cash flow was variable and subject to delays, the prior budget structure required loans from the General Fund to cover the gap between cash receipts and payments owed to staff and vendors.
- (e) Beginning with the 2008–09 fiscal year, the veterans' homes have instead been fully funded by the General Fund, and reimbursement and federal fund revenue collected is returned to the General Fund to offset the Department of Veterans Affairs' costs.
- (f) The changes included in this bill update outdated statutory language that refer to the department's previous budgetary structure and are not intended to reduce the amount of expenditure authority the department is provided by the current budget methodology.
  - SEC. 2. Section 1012.2 of the Military and Veterans Code is amended to read:
- 1012.2. (a) (1) Notwithstanding any other law, any member of the home who is receiving an aid and attendance allowance from the United States Department of Veterans Affairs for his or her the member's own care shall pay to the home an amount equal to that allowance in all levels of care excluding domiciliary.
  - (2) Paragraph (1)
- (b) Subdivision (a) shall not apply to a member of a home who is in intermediate care or skilled nursing care and has a disability that has been rated by the United States Department of Veterans Affairs as being 70 percent or more service-connected, as determined under Part 4 of Title 38 of the Code of Federal Regulations.
- (b) One hundred percent of the moneys received by a home under this section shall be placed to the credit of the home and shall augment the current appropriation for the support of the home.
  - SEC. 3. Section 1023 of the Military and Veterans Code is amended to read:
- 1023. (a) The department may sue and be sued in any of the courts of this state. All property held by the department for a home shall be held in trust for the state and for the use and benefit of the home. The department shall manage the homes and administer their affairs, and, subject to the direction of the secretary, adopt rules and regulations for the government of the homes in conformity, as nearly as possible, to the rules and regulations of the United States Department of Veterans Affairs for their facilities.
- (b) The Director of General Services may lease or let any real property held by the department for a home, and not needed for any direct or immediate purpose of the home, to any entity or person upon terms and conditions determined to be in the best interests of the home. In any leasing or letting, primary consideration shall be given to the use of real property for agricultural purposes, and except as provided in Section 1048, 1049, all moneys received in connection therewith shall be deposited in the



General Fund to the credit of, and shall augment the current appropriation for the support of, the home. Fund.

SEC. 4. Section 1031 of the Military and Veterans Code is repealed.

1031. All moneys received by the state from the United States for the use of a home shall be placed to the credit of and shall augment the current appropriation for the support of the home.

SEC. 5. Section 1034 of the Military and Veterans Code is amended to read:

1034. Except money received from this state for disbursement, all moneys received by a home, or by an officer of a home, including pension and other moneys belonging to members and other trust moneys, shall be immediately paid to the administrator of the home. On or before the tenth day of each month the The administrator of each home shall forward to the State Treasurer all moneys in his or her the administrator's possession, except pension and other moneys belonging to members, trust moneys, and donations made to each home, and the emergency fund, hereinafter mentioned, home, together with a statement of the sources from which the moneys have been received. The moneys shall be deposited by the State Treasurer to the credit of the General Fund; provided, however, that abatements of support expenditures shall be credited to the support appropriation current at the time of collection.



## LEGISLATIVE COUNSEL'S DIGEST

Bill No. as introduced, \_\_\_\_. General Subject: Veterans' homes.

Existing law provides for the establishment and operation of veterans' homes at various sites, and provides for an administrator of each home. Existing law establishes the duties of the Department of Veterans Affairs with regard to the establishment and regulation of veterans' homes. Existing law generally requires the administrator of each home to forward to the State Treasurer, all moneys in the administrator's possession. Existing law requires specified funds, including, among other things, moneys received in connected with the lease of real property by the department for a home, to be placed to the credit of the home.

This bill would repeal the requirement that these funds be placed to the credit of the home.

Existing law, when the Director of General Services leases any real property held by the department for a home, requires the director to give primary consideration to the use of real property for agricultural purposes.

This bill would remove the requirement that the director give primary consideration to the use of real property for agricultural purposes. The bill would also repeal obsolete provisions and fix an obsolete reference.

This bill would additionally make legislative findings and declarations related to its provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

